

SEPTEMBER 1, 1964

House Probers Drop CIA Angle

WASHINGTON, Sept. 1 (AP).—Congressional investigators shifted their course today after hearing that the Central Intelligence Agency had channeled some of its secret spending through a private foundation.

Little was heard of the hush-hush operation beyond testimony that official funds were spent through the J. M. Kaplan Fund, a tax-exempt foundation. The amount of the money and its destination were not disclosed.

The House Small Business subcommittee turns today, instead, to foundations associated with Texas millionaire H. L. Hunt.

The brief testimony about CIA funds, brought out from reluctant Internal Revenue Service witnesses yesterday, resulted in an hour-long, closed-door session later of subcommittee members with the revenue officials and Lt. Gen. Marshall S. Carter, Deputy CIA Director.

Afterward, the Subcommittee Chairman, Rep. Wright Patman, (D-Tex.) said his group would not further pursue the CIA aspects of Kaplan Fund affairs. The subcommittee is investigating the fund along with others in its study of tax exemption for charitable foundations.

"We are convinced the CIA does not belong in this Foundation investigation . . ." Mr. Patman said after the conference. "We are dropping it so far as the CIA is concerned."

Mr. Patman said, however, the testimony taken had not been contradicted and would stand—and that the subcommittee would continue later its investigation of the Kaplan fund.

ALERTED IRS OFFICIAL

Under questioning, Mitchell Rogovin, assistant to the commissioner and IRS liaison man with the CIA, testified a CIA official had come to him late in 1961 after an audit of the Kaplan Fund had begun.

Mr. Rogovin said he was told "they had been using the fund and they just wanted to alert the Washington office."

Mr. Patman said the limited disclosure might have been averted if the CIA had been more cooperative in providing information he sought after learning privately of the connection with the fund.

MORI/CDF